

## CHAPTEE XIII

### THE CONDITION OF TEADE IN ITS EFFECT UPON THE PEICES OF SECUEITIES

THE effect of the vicissitudes of commerce and trade upon the prices of securities on the Stock Exchange has been so fully explained in the various divisions of this hook that little more remains to be attempted beyond a brief connected view. Trade being the interchange of material commodities of a useful nature desired by consumers (Commerce being simply trade upon a wider and international scale), a greater number of such exchanges, or sales and purchases, obviously signifies an extended trade; extended trade means that people want more of the articles which are agreeable to them for use in some form than they were able previously to afford; merchants accordingly give larger orders, and tradesmen—the intermediaries between the merchants and the buying public—keep greater and more varied stocks; improved machinery (expediting the production of the manufactured raw material whose finished forms are wanted) involves more labour and wages; by cheapened processes these articles become reduced in price and hence command an ampler circle of consumers ; while increased wages are spent at tradesmen's shops and thus enable them to expand their trade. The prosperity of any trade comprises others> in its fortunes, for the traders themselves are consumers, and their purchases from each other are enlarged ; the export of goods to foreign nations is augmented, and imports, as the payment of their prices, expand ; the coal industry is improved, for additional machinery requires more coal, and the vessels which convey the goods abroad and home demand larger coal supplies in proportion to the greater number employed and their more frequent voyages; an' increase of